

# CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

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Executive Director  
California Pollution Control Financing Authority



# California Pollution Control Financing Authority (CPCFA)

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Treasurer Bill Lockyer



Controller John Chiang



Director of Finance  
Ana Matosantos



# CPCFA

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- CPCFA promotes environmental cleanup, economic development and job growth throughout California.
- Founded in 1972



# CPCFA Programs

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- Bond Financing
  - Tax-exempt or taxable bonds for qualifying waste, recycling, water, wastewater and pollution control facilities
  - Small business assistance fund
- California Capital Access Program (CalCAP)
  - Small business loan assistance
  - Special Assistance for diesel equipment, trucks and recyclers
- California Recycle Underutilized Sites (CALReUSE)
  - Grants and loans to clean up contaminated lands
  - Loans for site assessments
- Sustainable Communities Grant and Loan (SCGL)
  - Grants and loans to assist communities in planning and development activities



# California Capital Access Program (CalCAP)

- Administered by CPCFA
- Helps small-businesses obtain loans through participating financial institutions
- Contributes to the loan loss reserves of a financial institution
- Allows lenders to loan to businesses that are having trouble getting financing



# CalCAP History

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- Life of program 1994-2010:
  - 8,801 loans totaling \$1.97 billion
  - Over 41,000 jobs affected
- 2010 Totals:
  - 943 loans enrolled totaling \$62 million
  - 2,045 jobs affected
  - 602 of the 943 loans were microloans (under \$40,000)

# CalCAP Cont.

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- Requirements:
  - The maximum size of a CalCAP loan is \$2.5 million
  - The business must have 500 employees or less
- Special incentives for clean truck and diesel equipment purchases, and retrofits
- Additional assistance from CalRecycle for recycling related businesses, including covering fees associated with loans





# CalCAP Expansion



## Obama Small Business Jobs Act of 2010

**\$168 million to California**

**\$84 million to CalCAP**

Will leverage over \$1.5 billion in California  
small business lending

Increases our capacity dramatically

Funds available for banks, credit unions, community  
development financial institutions



# Tax-Exempt Bonds

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- Life of Program:
  - Total bonds issued \$13,074,362,437
  - Over 600 businesses funded
  
- 2010 Totals:
  - New money bonds issued \$280,185,000
  - Refunding bonds issued \$280,335,000
  - 8 small businesses funded
  - 8 large businesses funded

# Tax-Exempt Bonds

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- Cheaper than typical financing
- Terms of the bond can be up to 120% of the project life
- Typically, tax-exempt bond issues exceed \$2.5 million.



# Tax-Exempt Bonds Cont.

- Projects which may qualify for CPCFA tax-exempt bond financing:
  - Recycling or solid waste disposal facilities
  - Waste conversion facilities such as anaerobic digestors
  - Certain types of biomass conversion facilities
  - Privately owned water/wastewater treatment facilities
  - Purchase of collection vehicles and residential waste containers





# Small Business Assistance Fund (SBAF)

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- Small businesses under 500 employees qualify
- Helps small business access lower cost tax-exempt bond financing
- Subsidy of up to \$210,000 towards cost of issuing bonds
- Qualified uses include recycling, solid waste, water and wastewater facilities

## SBAF Cont.

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- Tire recycling company in Stockton, CA: recycles waste tires into usable products
  - Issued \$1,375,000 tax-exempt bond in July, 2010 for expanded facility
  - CPCFA provided \$152,000 towards the cost of issuing the bonds
  - Company had 12 full-time employees before project
    - Added 11 full-time employees as a result of project





# SBAF Examples

- Olive processing company in Tracy, CA: needed facility upgrades at olive processing facility to meet clean water requirements
- Issued \$3.2 million bond in September, 2009
- CPCFA paid \$181,200 towards the cost of bond issuance
- Company had 205 full-time employees at time of bond issuance
  - Anticipated hiring 10 more within two years

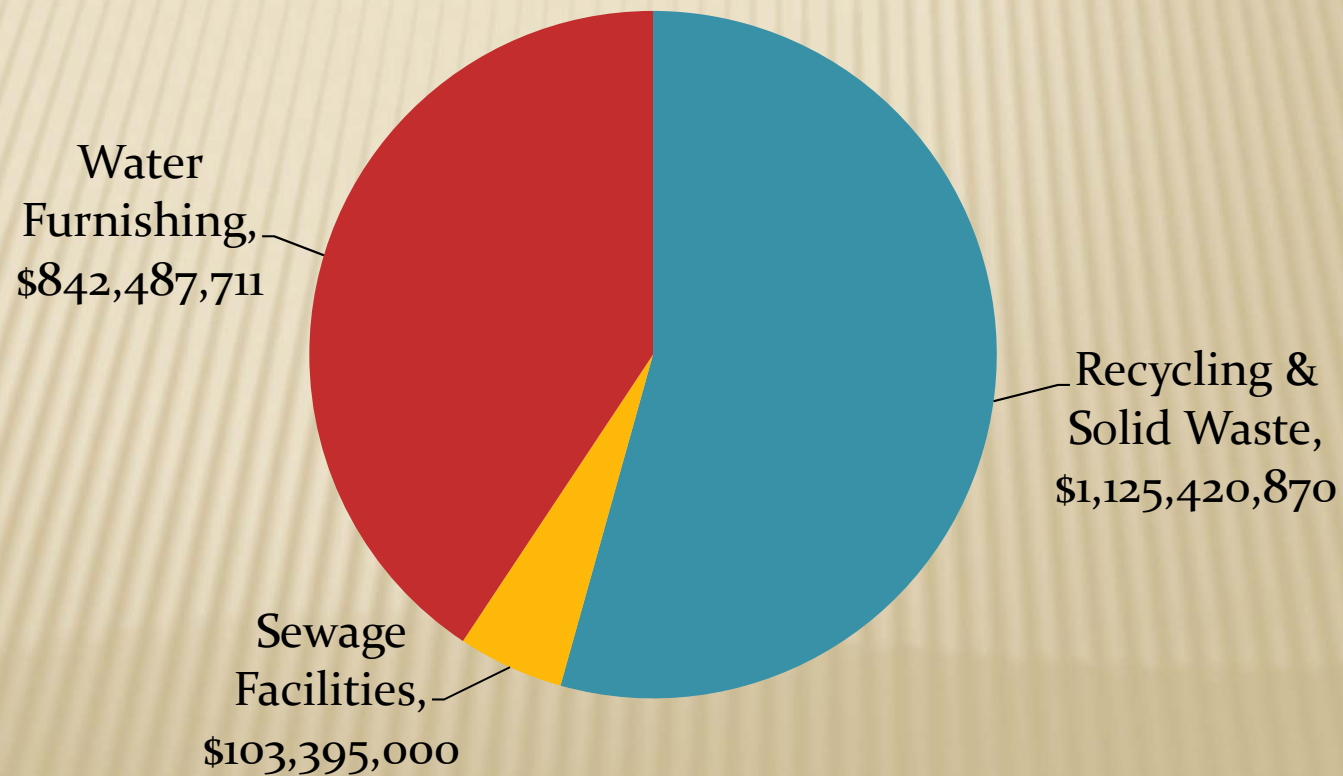




# Current Tax-Exempt Bond Allocation

**Available 2008-2010 Carryforward  
Allocation**

**\$2,071,303,581**





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